



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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LOS ANGELES, CALIFORNIA 90012
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November 10, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

12 November 10, 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

AUTHORIZE THE TREASURER AND TAX COLLECTOR TO EXECUTE AGREEMENT WITH THE STATE BOARD OF EQUALIZATION FOR IMPLEMENTATION OF THE LOCAL PREPAID MOBILE TELEPHONY SERVICES COLLECTION ACT (ALL DISTRICTS) (3-VOTES)

SUBJECT

Approval for the Treasurer and Tax Collector to execute an agreement with the California State Board of Equalization for implementation of the Local Prepaid Mobile Telephony Services Collection Act.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt the Resolution Authorizing the Treasurer and Tax Collector to Execute an Agreement with the State Board of Equalization for Implementation of the Local Prepaid Mobile Telephony Services Collection Act.
2. Approve the Certification of the County's Utility User Tax rate and ordinance.
3. Instruct the Treasurer and Tax Collector to execute the Agreement for State Collection and Administration of Local Charges.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

BACKGROUND

Traditionally, the County's utility users tax (UUT) is collected by telecommunications service providers who include the charge on their customers' monthly bills. The telecommunications service providers then remit the UUT paid by the customers to the Treasurer and Tax Collector, who is the

Tax Administrator under the County's UUT ordinance.

Under existing law, the State Office of Emergency Services annually determines an amount sufficient to fund "911" emergency telephone systems costs. The telecommunications service providers collect these fees from their customers and remit these fees to the California State Board of Equalization (BOE).

In addition, existing law establishes the state's telecommunications universal services programs and authorizes the Public Utilities Commission (PUC) to impose charges for the purpose of funding those programs. The PUC has established 6 end-user surcharges to fund 6 universal services programs. The telecommunications service providers collect these surcharges from their customers and remit these funds to the PUC.

In contrast, customers who purchase prepaid mobile services usually avoid paying the above noted UUT, fees, and surcharges due to collection complications. With prepaid mobile service, there is no mandatory contract, no monthly invoice, and the prepaid mobile services are usually sold by retailers who traditionally have not been required to collect UUT, fees and surcharges. It is estimated that approximately 70% of all prepaid mobile services are sold by retailers.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

AB 1717, effective on January 1, 2016, creates a statewide program to collect emergency and local access charges through the establishment of a prepaid Mobile Telephony Services (MTS) surcharge to be administered by the BOE. The prepaid MTS surcharge will replace the various existing surcharges, and incorporate the "911" emergency telephone users surcharge and the PUC surcharges. The County does not collect emergency or local access charges; therefore, the establishment of a prepaid MTS surcharge has no impact on the County.

In addition, AB 1717 suspends the city's and county's authority to impose UUT on the consumption of prepaid mobile services at the rate specified in the local ordinance, and instead requires the UUT to be applied at tiered rates established in the statute. The County's UUT rate is 4.5%. AB 1717 states that for a local jurisdiction that has adopted a UUT rate of 4.5% to 5.5%, the rate shall be 4.5%. Accordingly, there is no impact to the County's UUT rate.

AB 1717 also grants the BOE with the responsibility for administration and collection of the MTS surcharge and local UUT on retail sales of prepaid mobile services made by "sellers." A "seller" is someone, other than a prepaid mobile service provider, who sells prepaid mobile service to a person in a retail sale. Beginning January 1, 2016, California retailers and on-line sellers will be required to collect the prepaid MTS surcharges and local UUT at the same time they collect sales tax on prepaid mobile service products, based at the "point of sale" for retail stores, or based on "known address" of the consumer for online sellers. The retailers and on-line sellers may retain 2% of the prepaid MTS surcharge and UUT, and remit the remaining amounts to the BOE on a quarterly basis. The BOE will withhold amounts to reimburse itself for expenses incurred in the administration and collection of local charges. The BOE will remit the remaining local UUT to the local jurisdiction on a quarterly basis, and furnish a quarterly statement.

In contrast, "direct sellers," or prepaid mobile service providers, who sell prepaid mobile service directly to a consumer for any purpose other than resale, will continue to collect and remit the UUT for these sales directly to the County. There are no anticipated changes to collection applicable to this existing population of UUT remitters.

Under this new law, all local jurisdictions must contract with the BOE in order to receive UUT imposed on retail sales of prepaid mobile services. The BOE requires an executed agreement in order to begin collecting the County's UUT on retail sales. In addition, the local jurisdiction must certify its UUT rate and that its UUT ordinance applies to prepaid mobile services.

Accordingly, the TTC is recommending that your Board:

1. Adopt the Resolution Authorizing the Treasurer and Tax Collector to Execute an Agreement with the State Board of Equalization for Implementation of the Local Prepaid Mobile Telephony Services Collection Act.
2. Approve the Certification of the County's Utility User Tax rate and ordinance.
3. Instruct the Treasurer and Tax Collector to execute the Agreement for State Collection and Administration of Local Charges.

The BOE has informed us that if the County submitted this information prior to December 1, 2015, the next quarterly cut-off for submission, the BOE will begin new collections based on these agreements on April 1, 2016.

Implementation of Strategic Plan Goals

This action supports the Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability.

FISCAL IMPACT/FINANCING

The County's current UUT rate is 4.5%, and, in regards to telecommunications services, is imposed on all bills issued to a billing or service address in the unincorporated areas of the County. Beginning on April 1, 2016, pending timely receipt of the executed documents, the BOE will collect the County's UUT from retailers and on-line sellers located, or conducting business in, the unincorporated areas of the County. The retailers and on-line sellers will retain 2% of the UUT, and remit the remaining to the BOE. The BOE will net its administrative costs, and report and remit the difference to the County on a quarterly basis. The increase to revenue is currently undetermined as there is no previous UUT history on retailers or on-line sellers in the unincorporated areas of the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

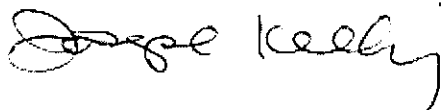
AB 1717 amended provisions of Sections 431 and 319 of the Public Utilities Code, and Sections 41020, 41030, 41033, Part 21 (commencing with Section 42001) and Part 21.1 (commencing with Section 42100) of the Revenue and Taxation Code relating to telecommunications. AB 1717 is effective January 1, 2016. These provisions will be repealed on January 1, 2020, unless extended later by statute.

AB 1717 does not affect the tax rate in the County's UUT ordinance approved by the voters of the County in 2012, which will remain the same at 4.5%. Also, by requiring the County to contract with BOE for the collection of UUT for retail and online sales of prepaid mobile services at the point of sale, the BOE will assume a collection function that the County performed under the UUT ordinance.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph Kelly". The signature is fluid and cursive, with the first name "Joseph" written in a larger, more prominent script than the last name "Kelly".

Joseph Kelly
Treasurer and Tax Collector

JK:KK:NI:rkl

Enclosures

c: Chief Executive Officer
Acting Executive Officer, Board of Supervisors
Interim County Counsel
Auditor-Controller

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES
AUTHORIZING THE TREASURER AND TAX COLLECTOR TO EXECUTE
AGREEMENT WITH THE STATE BOARD OF EQUALIZATION FOR
IMPLEMENTATION OF THE
LOCAL PREPAID MOBILE TELEPHONY SERVICES COLLECTION ACT, AND TO
PERMIT THE TREASURER AND TAX COLLECTOR TO EXAMINE THE RECORDS
OF THE STATE BOARD OF EQUALIZATION**

WHEREAS, on September 1, 2015, the Treasurer and Tax Collector, on behalf of the County of Los Angeles certified that Ordinance No. 2008-0072 applies its local charge for utility user tax to prepaid mobile telephony services; and

WHEREAS, the Local Prepaid Mobile Telephony Services Collection Act mandates the Board of Equalization (BOE) to administer and collect the local charges for all applicable local jurisdictions (Rev. & Tax Code Section 42103); and

WHEREAS, the BOE will perform all functions incident to administration and collection of the local charges for the County of Los Angeles; and

WHEREAS, the BOE requires that the Board of Supervisors of the County of Los Angeles enter into an "Agreement for State Collection and Administration of Local Charges" prior to implementation of the Local Prepaid Mobile Telephony Services Collection Act, and

WHEREAS, the BOE requires that the Board of Supervisors of the County of Los Angeles authorize the agreement; and

WHEREAS, the BOE shall permit the Treasurer and Tax Collector or his designee, to examine any information for the County of Los Angeles that is reasonably available to the BOE regarding the proper collection and remittance of a local charge of the County of Los Angeles by a seller, subject to the confidentiality requirements of Sections 7284.6, 7284.7 and 19542. (Sections 42110(b), 42103(e)).

NOW, THEREFORE BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles, that the attached "Agreement for State Collection and Administration of Local Charges" is hereby approved and the Treasurer and Tax Collector is hereby authorized to execute the agreement.

AND, BE IT FURTHER RESOLVED, that the Treasurer and Tax Collector or his designee, is permitted to examine any information for the County of Los Angeles that is reasonably available to the BOE regarding the proper collection and remittance of a local charge of the County of Los Angeles.

The foregoing resolution was on the 10th day of November 2015, adopted by the Board of Supervisors of the County of Los Angeles.

PATRICK OGAWA
Acting Executive Officer,
Board of Supervisors of
the County of Los Angeles

By

Lachelle Smithman
Deputy

APPROVED AS TO FORM

MARY C. WICKHAM
Interim County Counsel

By

Suzanne Panicker
Deputy County Counsel



**AGREEMENT FOR STATE COLLECTION AND ADMINISTRATION OF
LOCAL CHARGES**

This Agreement is for the purpose of implementing the Local Prepaid Mobile Telephony Services Collection Act (Part 21.1, commencing with Section 42100) of Division 2 of the Revenue and Taxation Code), hereinafter referred to as the Local Charge Act. The County of Los Angeles Insert name of local jurisdiction and the State Board of Equalization, hereinafter called the Board, do agree as follows:

**ARTICLE I
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in this Agreement they shall be interpreted to mean the following:

A. “Administrative Expenses” means all expenses incurred by the Board in the administration and collection of the local charges, including preparation and wind down costs which are reimbursable to the Board from the revenues collected by the Board on behalf of the local jurisdiction.

B. “Contingent Fee” includes, but is not limited to, a fee that is based on a percentage of the tax liability reported on a return, a fee that is based on a percentage of the taxes owed, or a fee that depends on the specific tax result attained.

C. “Direct Seller” means a prepaid Mobile Telephony Service (MTS) provider or service supplier, as defined in Section 41007, that makes a sale of prepaid mobile telephony services directly to a prepaid consumer for any purpose other than resale in the regular course of business. A direct seller includes, but is not limited to, a telephone corporation, a person that provides an interconnected Voice over Internet Protocol (VoIP) service, and a retailer as described in Section 42004(b)(1).

D. “Local Charges” means a utility user tax imposed on the consumption of prepaid mobile telephony services, as described in Section 42102, and charges for access to communication services or to local “911” emergency telephone systems imposed by a local jurisdiction, as described in Section 42102.5.

E. “Local Jurisdiction” or “local agency” means a city, county, or city and county, which includes a charter city, county, or city and county of this State, which has adopted an ordinance imposing a local charge of the kind described in Part 21.1 of Division 2 of the Revenue and Taxation Code and has entered into a contract with the Board to perform all functions incident to the collection of the local charges.

F. “Ordinance” means an ordinance of a local jurisdiction imposing a local charge, including any local enactment relating to the filing of a refund or a claim arising under the ordinance, attached hereto, as amended from time to time.

G. "Quarterly local charges" means the total amount of local charges transmitted by the Board to a local jurisdiction for a calendar quarter, as set forth in Section 42106(a)(1).

H. "Refund" means the amount of local charges deducted by the Board from a local jurisdiction's quarterly local charges in order to pay that jurisdiction's share of a local charge refund due to one taxpayer.

I. "Section" – all Section references are to the Revenue and Taxation Code.

J. "Seller" means a person that sells prepaid mobile telephony service to a person in a retail transaction.

ARTICLE II

BOARD ADMINISTRATION AND COLLECTION OF LOCAL CHARGES

A. Administration. The Board and the local jurisdiction agree that the Board shall perform functions incident to the collection of the local charges from sellers that are not direct sellers.

B. Collection. The Board shall collect the local charges in the same manner as it collects the prepaid MTS Surcharge in the Prepaid Mobile Telephony Services Surcharge Collection Act, subject to specified limitations in the Local Charge Act for which the local jurisdiction is responsible, as set forth in Article III of this Agreement.

C. Audits. The Board's audit duties shall be limited to verification that the seller that is not a direct seller complied with the Local Charge Act.

D. Other applicable laws. The Board and the local jurisdiction agree that all provisions of law applicable to the administration and operation of the Local Charge Act, Prepaid Mobile Telephony Services Surcharge Collection Act, and the Fee Collection Procedures Law (FCPL) shall be applicable to the collection of local charges. References in the FCPL to feepayer include a person required to pay the local charge, including the seller. All future amendments to applicable laws are automatically incorporated into this Agreement.

E. Deposit of Local Charges. All local charges collected by the Board shall be deposited in the Local Charges for Prepaid Mobile Telephony Services Fund in the State Treasury to be held in trust for the local taxing jurisdiction. Local charges shall consist of all taxes, charges, interest, penalties, and other amounts collected and paid to the Board, less payments for refunds and reimbursement to the Board for expenses incurred in the administration and collection of the local charges, including preparation and wind-down costs.

F. Allocation of Expenses. The Board shall allocate the total combined annual expenses incurred for administration and collection pursuant to the Prepaid Mobile Telephony Services Surcharge Collection Act and the Local Charge Act on a pro rata basis according to revenues collected for: (1) the emergency telephone users surcharge portion of the prepaid MTS surcharge, (2) the Public Utilities Commission surcharges

portion of the prepaid MTS surcharge, and (3) local charges. The Board shall charge a local jurisdiction its pro rata share of the Board's cost of collection and administration.

G. Transmittal of money. All local charges collected by the Board shall be transmitted to the local jurisdiction once in each calendar quarter. Transmittals may be made by mail or by deposit to the account of the local jurisdiction in a bank designated by that jurisdiction. The Board shall furnish a statement quarterly indicating the amounts paid and withheld for expenses of the Board.

H. Rules. The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and collection of local charges and the distribution of the local charges collected.

I. Security. The Board agrees that any security which it hereafter requires to be furnished under the FCPL Section 55022 will be upon such terms that it also will be available for the payment of the claims of the local jurisdiction for local taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it, and the local jurisdiction shall not participate in any security now held by the Board.

J. Records of the Board.

1. Information obtained by the local jurisdiction from the examination of the Board's records shall be used by the local jurisdiction only for purposes related to the collection of the prepaid mobile telephony services surcharge and local charges by the Board pursuant to this Agreement.

2. When requested by resolution of the legislative body of a local jurisdiction, the Board shall permit any duly authorized officer or employee or other person designated by that resolution to examine any information for its own jurisdiction that is reasonably available to the Board regarding the proper collection and remittance of a local charge of the local jurisdiction by a seller, including a direct seller, subject to the confidentiality requirements of Sections 7284.6, 7284.7 and 19542. (Sections 42110(b), 42103(e)).

3. The resolution of the local jurisdiction shall certify that any person designated by the resolution, other than an officer and an employee, meets all of the following conditions:

- a. Has an existing contract with the local jurisdiction that authorizes the person to examine the prepaid MTS surcharge and local charge records.
- b. Is required by that contract with the local jurisdiction to disclose information contained in or derived from, those records only to an officer or employee of the local jurisdiction authorized by the resolution to examine the information.
- c. Is prohibited by that contract from performing consulting services for a seller during the term of that contract.
- d. Is prohibited by that contract from retaining information contained in, or derived from, those prepaid MTS surcharge and local charge records, after that contract has expired.

4. Any third party contract between the local jurisdiction and an entity or person authorized by the local jurisdiction to request information from the Board shall be subject to the following limitations:

a. Any third party shall, to the same extent as the Board, be subject to Section 55381, relating to unlawful disclosures.

b. A third party contract shall not provide, in whole or in part, in any manner a contingent fee arrangement as payment for services rendered.

5. Information obtained by examination of Board records shall be used only for purposes related to the collection of the prepaid MTS surcharge and local charges by the board pursuant to the contract, or for purposes related to other governmental functions of the local jurisdiction set forth in the resolution.

6. If the Board believes that any information obtained from the Board's records related to the collection of the prepaid MTS surcharge and local charges has been disclosed to any person not authorized or designated by the resolution of the local jurisdiction, or has been used for purposes not permitted by Section 42110(b), the board may impose conditions on access to its local charge records that the board considers reasonable, in order to protect the confidentiality of those records. (Section 42110 (c)).

7. The costs incurred by the Board in complying with a request for information shall be deducted by the Board from those revenues collected by the Board on behalf of the local jurisdiction making the request, as authorized by Section 42110(b)(1).

ARTICLE III LOCAL JURISDICTION ADMINISTRATION AND RESPONSIBILITIES

A. The local jurisdictions shall be solely responsible for all of the following:

1. Defending any claim regarding the validity of the ordinance in its application to prepaid mobile telephony service. The claim shall be processed in accordance with the provisions of the local ordinance that allows the claim to be filed.

2. Interpreting any provision of the ordinance, except to the extent specifically superseded by Section 42105 of the Local Charge Act. The claim shall be processed in accordance with the provisions of the local enactment that allows the claim to be filed.

3. Responding to specified consumer claims for refund involving: (1) rebutting the presumed location of the retail transaction; (2) a consumer claim of exemption from the local charge under the ordinance; or (3) any action or claim challenging the validity of a local tax ordinance, in whole or part. The claim shall be processed in accordance with the provisions of the local enactment that allows the claim to be filed.

4. Refunding the taxes in the event a local jurisdiction or local government is ordered to refund the tax under the local ordinance.

5. Reallocating local charges as a result of correcting errors relating to the location of the point of sale of a seller or the known address of a consumer, for up to two past quarters from the date of knowledge.

6. Collecting local charges on prepaid mobile telephony service and access to communication services or access to local 911 emergency telephone systems imposed on direct sellers.

7. Enforcement, including audits, of the collection and remittance of local charges by direct sellers pursuant to the ordinance.

8. The local jurisdiction shall be the sole necessary party defendant on whose behalf the local charge is collected in any action seeking to enjoin collection of a local charge by a seller, in any action seeking declaratory relief concerning a local charge, in any action seeking a refund of a local charge, or in any action seeking to otherwise invalidate a local charge. There shall be no recovery from the State for the imposition of any unconstitutional or otherwise invalid local charge that is collected under the Local Act.

9. Entering into an agreement with the Board to perform the functions incident to the collection of the local charges imposed on sellers that are not direct sellers.

10. Submitting an executed Certification to the Board, certifying that:

(a) the local jurisdiction's ordinance applies the local charge to prepaid mobile telephony services;

(b) the amount of the rate charged for access to local 911 emergency telephone systems or access to communications services complies with the requirements of Section 42102.5; and/or applies the tiered rate for the utility user tax, as identified in Section 42102.

(c) The local jurisdiction shall further certify that it agrees to indemnify and to hold harmless the Board, its officers, agents, and employees for any and all liability for damages that may result from the Board's collection pursuant to this Agreement.

11. Submitting signed documents to the Board to include agreement(s), certification, copy of ordinance(s), and resolution(s).

12. Providing payment to the Board of the local jurisdiction's pro rata share of the Board's cost of collection and administration as established pursuant to subdivision (e) of Section 42020.

ARTICLE IV LOCAL CHARGES

A. Local Charges – Timeliness – This part shall remain in effect until proposed California Code of Regulations, title 18, Section 2460 is adopted by the Board and approved by the Office of Administrative Law.

1. Ordinances in effect as of September 1, 2015.

On or after January 1, 2016, a local charge imposed by a local jurisdiction on prepaid mobile telephony services shall be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under Part 21 (commencing with Section 42001) provided that, on or before September 1, 2015, the local jurisdiction enters into a contract with the Board pursuant to Section 42101.5. Thereafter, all subsequently enacted local charges, increases to local charges, or other changes thereto, shall become operative pursuant to paragraphs (2), (3), and (4).

2. New charges. When a local jurisdiction adopts a new local charge after September 1, 2015, the local jurisdiction shall enter into a contract with the Board, pursuant to Section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

3. Increases in local charges. When a local jurisdiction increases an existing local charge after September 1, 2015, the local jurisdiction shall provide the Board written notice of the increase, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

4. Inaccurate rate posted on the Board's website. When a local jurisdiction notifies the Board in writing that the rate posted on the Board's Internet Web site (posted rate) for a local charge imposed by that local jurisdiction is inaccurate, including scenarios where the local charge was reduced or eliminated, the recalculated rate applicable to the local jurisdiction shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the Board receives the local jurisdiction's written notification that the posted rate is inaccurate.

A. Local Charges – Timeliness – This part shall take effect and supersede the above “Local Charges – Timeliness Section when California Code of Regulations, title 18, Section 2460 is adopted by the Board and approved by the Office of Administrative Law.

1. Ordinances in effect as of September 1, 2015. On or after January 1, 2016, a local charge imposed by a local jurisdiction on prepaid mobile telephony services shall be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under Part 21 (commencing with Section 42001) provided that, on or before September 1, 2015, the local jurisdiction enters into a contract with the Board pursuant to Section 42101.5.

In the event a local jurisdiction does not enter into a contract with the Board by September 1, 2015, the local jurisdiction may enter into a contract with the Board, pursuant to Section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year. Thereafter, all subsequently

enacted local charges, increases to local charges, or other changes thereto, shall become operative pursuant to paragraphs (2), (3), (4) and (5) of this subdivision.

2. New charges. When a local jurisdiction adopts a new local charge after September 1, 2015, the local jurisdiction shall enter into a contract with the Board, pursuant to Section 42101.5, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

3. Increases in local charges. When a local jurisdiction increases an existing local charge after September 1, 2015, the local jurisdiction shall provide the Board written notice of the increase, on or before December 1st, with collection of the local charge to commence April 1st of the next calendar year.

4. Advance written notification. When a local charge is about to expire or decrease in rate, the local jurisdiction imposing the local charge shall notify the Board in writing of the upcoming change, not less than 110 days prior to the date the local charge is scheduled to expire or decrease. The change shall become operative on the first day of the calendar quarter commencing after the specified date of expiration or decrease in rate.

If advance written notice is provided less than 110 days prior to the specified date of expiration or decrease in rate, the change shall become operative on the first day of the calendar quarter commencing more than 60 days after the specified date of expiration or decrease.

5. Inaccurate Rate Posted on the Board's Web site. When a local jurisdiction notifies the Board in writing that the rate posted on the Board's Internet Web site (posted rate) for a local charge imposed by that local jurisdiction is inaccurate, including scenarios where the local charge was reduced or eliminated and the local jurisdiction failed to provide advance written notice pursuant to paragraph 4 of this subdivision, the recalculated rate applicable to the local jurisdiction shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the Board receives the local jurisdiction's written notification that the posted rate is inaccurate. The local jurisdiction shall promptly notify the Board in writing of any such discrepancies with the posted rate that are known or discovered by the local jurisdiction.

ARTICLE V COMPENSATION

The local jurisdiction agrees to pay the Board its pro rata share of the Board's cost of collection and administration of the local charges, as established pursuant to Section 42020, subdivision (e). Such amounts shall be deducted from the local charges collected by the Board for the local jurisdiction.

ARTICLE VI MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first-class United States Mail. A notification is complete when deposited in the mail. Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0001

Attention: Supervisor,
Local Revenue Allocation Unit

Communications and notices to be sent to the local jurisdiction shall be addressed to:

Ms. Nai-len Ishikawa
Assistant Treasurer and Tax Collector
Los Angeles County Treasurer and Tax Collector
500 West Temple Street, Room 462
Los Angeles, CA 90012

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on the first day of the calendar quarter next succeeding the date of such approval, but in no case before the operative date of the local jurisdiction's ordinance, nor on a day other than the first day of a calendar quarter. This Agreement shall be renewed automatically from year to year until January 1, 2020, when the Local Charge Act is repealed, unless a statute enacted prior to that date extends that date. In such event, this Agreement will continue to renew automatically from year to year to the date authorized by statute.

STATE BOARD OF EQUALIZATION

By _____
Administrator,
Return Analysis and Allocation Section

COUNTY OF LOS ANGELES

By _____
(Signature on this line)

Joseph Kelly

(Type name here)

Treasurer and Tax Collector

(Type title here)

CERTIFICATION

I, JOSEPH KELLY, Los Angeles County Treasurer and Tax Collector, as Tax Administrator of the County of Los Angeles' Utility User Tax Ordinance, am authorized to sign this certification on behalf of the COUNTY OF LOS ANGELES.

I certify to the following:

Please check all the following that apply to your jurisdiction:

1. 911 Charges/Access to Communication Services – Ordinance No. _____ of the _____ imposes the local charge set forth in the ordinance to prepaid mobile telephony services for access to communication services or to local 911 emergency telephone systems. As required by section 42102.5, the percentage reflecting the rate for access to the local 911 emergency telephone systems or access to communications services is _____.
2. ☒ **Utility User Tax** – Ordinance No. 2008-0072 of the COUNTY OF LOS ANGELES imposes the local charge set forth in the ordinance to the consumption of prepaid mobile telephony services. The tiered rate for the utility user tax, as identified in section 42102 is 4.5%.
3. The COUNTY OF LOS ANGELES agrees to indemnify and to hold harmless the Board of Equalization (Board), its officers, agents, and employees for any and all liability for damages that may result from the Board's collection pursuant to this agreement.

Executed in the COUNTY OF LOS ANGELES on _____.

Signature _____

Printed Name JOSEPH KELLY

Title of Person TREASURER AND TAX COLLECTOR